



## **Benchmarking the U.S. Strategic Plan for the UPU from 2009 to 2012: Attainment of Individual Goals**

At its last meeting on 11 March 2010, members of the Advisory Committee requested that the State Department produce a document that would indicate the extent to which each individual goal in the U.S. Strategic Plan for the UPU 2009-2012 had been achieved.

The tables on the following pages provide a preliminary indication of what is considered to be the attainment of the individual goals in this Strategic Plan as of 1 July 2010 (unless otherwise indicated).

In some cases, the goals in the Strategic Plan are not readily measurable, but rather constitute instructions or guidelines for the U.S. delegation to follow in UPU Council deliberations leading up to the 2012 UPU Congress in Doha. In other cases, the goals have been entirely achieved. It is suggested that these latter goals could be deleted from the Strategic Plan.

It might be advisable for the Department of State to add goals to this Strategic Plan to reflect work on issues that have arisen since the 2008 Geneva UPU Congress. An example of a goal that might be added is the work stemming from the proposal by the U.S. delegation that the CA Reform of the Union Project Group conduct a study to identify the governmental (or regulatory) and operational functions of the UPU.

As this is the first attempt to measure attainment of the goals in the U.S. Strategic Plan of the UPU, the content of this document could be further refined for presentation to future meetings of the Advisory Committee.

The members of the Advisory Committee are invited to comment on the content of this document.

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## U.S. Strategic Plan for the UPU: Attainment of Individual Goals

Subject/Goal	Attainment or current status
<b>1. Quality of Service</b>	
a. Support the deployment and further development of the UPU Global Monitoring System.	The first phase of Global Monitoring System roll-out is underway with 20 postal operators participating. The second phase is expected to start in late 2010.
b. Continue efforts to extend and expand pay-for-performance systems for letter post and parcels.	Pay-for-performance systems for letter post and parcel post adopted by the 2008 are on track. Work underway in the POC Terminal Dues Quality Link User Group to attract new members. In 2010, there are 29 postal operators participating in the Terminal Dues Quality of Service Link.
c. Support publication of report cards by the UPU on the performance of administrations (and delivery agents, where appropriate) in delivering inbound international letter post items and parcels to the addressee. Consider establishment of "report card review days" at the annual sessions of the Council of Administration and Postal Operations Council.	The U.S. delegation submitted a proposal to 2008 Geneva UPU Congress on publication of performance measurement results which was adopted as Geneva Congress Resolution C 48. In 2009, the U.S. delegation reminded the CA that it had not initiated work to carry out the instructions in this resolution. CA Committee 4 on UPU Strategy was subsequently tasked with this work.
d. Develop methodologies for measuring the performance of airlines in handling and transporting dispatches of mail.	USPS is currently using CARDIT/RESBIT messages for transmission of dispatch data to airlines. USPS is working to develop a postal airway bill to improve tracking with airline information technology networks.
e. Seek all available means and technologies, and develop alternate methodologies if necessary, for the measurement of service performance.	Ongoing, for example, in the work to refine the Global Monitoring System.

Subject/Goal	Attainment or current status
<b>2. Economic Issues</b>	
<i>Terminal Dues</i>	
a. Support the fundamental principle of market-oriented, cost-based, country-specific terminal dues under which increases in rates are phased in over time or introduced with ample advance notification to avoid sudden and steep postage rate increases for mailers.	This goal guides the U.S. delegation in its work on further refining the UPU terminal dues system, for which the POC Terminal Dues Group is primarily responsible. The end result of this work will not be known until the 2012 Doha Congress. New terminal dues methodologies that would potentially be more closely aligned with these principles will be considered by the Terminal Dues Group in October 2010.
b. Develop a more accurate linearization methodology that produces rates that most closely reflect costs.	Ongoing. The U.S. delegation has developed a linearization methodology which is now under discussion within the POC Terminal Dues Group.
c. Make tangible progress in achieving inclusion of UPU member countries in the target terminal dues system by December 31, 2017.	In 2010, 12 countries entered the target terminal dues system; an additional 23 countries will join in 2012.
d. Support UPU deployment of the standard cost accounting system.	A cost accounting system developed by France, named "Thalia", has been deployed in UPU countries in several regions, accompanied by training. The central goal of several QSF projects has been deployment of Thalia. It is recommended that this goal be deleted from the Strategic Plan, since the goal has been achieved.
<i>Quality of Service Fund</i>	
e. Develop standard criteria for evaluating the usefulness and effectiveness of Quality of Service Fund projects to establish a link between the projects and the service performance of beneficiary administrations, such as through participation by beneficiary administrations in the Global Monitoring System.	The Quality of Service Fund (QSF) Board of Trustees has introduced an extensive system of evaluation of QSF projects, with standard criteria for use by evaluators. It is recommended that this goal be deleted from the Strategic Plan, since the goal has been achieved.

Subject/Goal	Attainment or current status
f. Make further efforts to simplify the procedures employed for the submission and approval of Quality of Service Fund project proposals.	This is an instruction for the U.S. delegation to seek further simplification of these procedures, as opportunities to do so present themselves.
g. Support the principles for the election of members of the Quality of Service Fund Board of Trustees that ensure both the accountability for Board members and continuity of knowledge within the Board.	Done. First annual elections, of three of the nine QSF Board members, held at 2010 POC session. It is recommended that this goal be deleted from the Strategic Plan, since the goal has been achieved.
<i>WTO Alignment</i>	
h. Monitor the UPU commitment and actions to move postal administrations to the target terminal dues system.	See comment for 2c above. (Twelve UPU members moved to the UPU terminal dues target system in 2010.)
i. Monitor WTO developments that impact the UPU terminal dues system.	Ongoing. No such developments have been detected since the 2008 Geneva Congress.
<b>3. Customs issues</b>	
a. Promote continued cooperation and dialogue between the UPU and World Customs Organization (WCO), especially regarding supply chain security and EDI transmissions between posts and customs.	Ongoing. The WCO is working with the UPU on aligning EDI message standards to the WCO data model, and the UPU continues to seek to apply supply chain security principles to international mail.
b. Propose and promote specific actions by the CA and POC aimed at bringing customs clearance procedures for postal items more in line with commercial customs procedures used by private-sector delivery firms.	The POC Customs Group is pursuing the development and deployment of advanced data requirements for international mail for customs purposes that reflect the unique characteristics of international mail. In the meantime, however, many postal operators are electing to use commercial customs procedures for certain products.
c. Propose concrete steps to standardize and implement EDI message exchanges between posts and customs, and assign urgency to this task in light of international security initiatives such as the WCO Framework.	Ongoing. The messages in question have been standardized and are currently being exchanged by partner countries in the MEDICI (Mails Electronic Data Interchange and Customs Integration) pilot program. Connections to customs administrations to test the messages are imminent.

Subject/Goal	Attainment or current status
<b><i>Second Tier Priorities: Regulatory and Administrative Issues</i></b>	
<b>4. Extra-territorial Offices of Exchange (ETOE)</b>	
a. Support UPU policies that consider dispatches by ETOEs as commercial traffic that are subject to the same rules applied to private operators, that permit postal administrations to refuse to accept items dispatched by ETOEs under UPU documentation and that limit eligibility to use UPU documentation on outbound traffic dispatched by ETOEs	U.S. Government policy regarding ETOEs published on the State Department website ( <a href="http://www.state.gov/p/io/ipp">www.state.gov/p/io/ipp</a> ). The CA Interconnectivity Group is also currently studying major changes to the structure of IMPC (International Mail Processing Center) codes to help identify the owner or origin of ETOE traffic more clearly. A questionnaire on this subject was issued in summer 2010, and a report on the results obtained will be presented at the 2010 CA.
b. Preserve the distinction between the practices of ETOEs, which are purely commercial, and the execution of universal service by national postal administrations operating in their home territories.	See comments for 4a above.
<b>5. UPU Strategy</b>	
a. Contribute to further refinements to the Report Cards developed by the UPU Strategic Planning Group on the achievement, by individual member countries and postal administrations, of selected key goals in the UPU Strategy.	Current CA Committee 4 on UPU Strategy appears not to be pursuing the concept of report cards to measure attainment of goals in the Nairobi Postal Strategy.
b. Press for further development of methods, such as through annual or biennial surveys, for seeking the views of member countries on UPU strategic and budgetary priorities.	The U.S. delegation has raised the need and importance of such surveys at meetings of CA Committee 4 on several occasions since 2008. Specific follow-up actions to be taken by CA Committee 4 in this regard are not known.
c. Seek to develop principles and methodologies for linking the priorities expressed by member countries for prioritizing and aligning the objectives in the UPU Strategy and the individual programs in the biennial UPU Program and Budget	The U.S. delegation has raised this issue at recent CA sessions. Specific follow-up actions to be taken by CA are not yet known.

Subject/Goal	Attainment or current status
<b>6. UPU Budget, User Groups and Cooperatives</b>	
a. Support zero nominal growth for the mandatory UPU budget.	Ongoing.
b. Foster the creation or maintenance of user groups and cooperatives within the UPU structure and the delegation of authority to the Council of Administration and Postal Operations Council to create user groups.	The U.S. delegation submitted a set of proposals whose goal was to anchor the status of user groups and cooperatives within the UPU and to have the CA study possible mechanisms for the creation of additional user groups. At the March 2010 meeting of the Reform of the Union Project Group, the U.S. delegation submitted a document stressing the need for the CA to address this subject.
c. Support financial and organization autonomy for the UPU user groups and cooperatives	Ongoing. See comment for 6b above.
<b>7. Consultative Committee</b>	
a. Undertake to maximize private-sector participation in the Consultative Committee and foster further integration of private-sector organizations into the work of UPU bodies.	The Consultative Committee, which has actively sought members since its creation in 2004, now has 19 member associations. Consideration could be given to developing proposals for the 2012 Congress to amend the criteria for Consultative Committee membership to attract wider private-sector membership. The State Department expressed its support for broader private-sector membership in the Consultative Committee in its reply to the August 2010 PriceWaterhouseCoopers survey on behalf of the Reform of the Union Project Group.
b. Foster and encourage the active involvement of the postal administrations that are members of the Consultative Committee in the work of the Committee.	Ongoing. Consideration could be given to dropping this goal from the Strategic Plan.

Subject/Goal	Attainment or current status
<b><i>Third Tier Priorities: Postal and Technical Issues</i></b>	
<b>8. Postal Security</b>	
a. Continue focus on preventing injuries from dangerous goods in the mail; preventing mail theft and loss; preventing revenue loss; and preserving customer confidence in the mail.	This work is ongoing. A mass marketing fraud awareness campaign was completed in June 2010; the Postal Security Group reinstituted its Revenue Protection Working Group; work is underway on an awareness campaign dealing with counterfeit pharmaceuticals and other dangerous goods; a training course dealing with drugs and dangerous goods sponsored by the Postal Security Group and PUASP (Postal Union of the Americas, Spain and Portugal) took place earlier this year; and a document establishing security standards has been finalized. Other related projects and initiatives are in development.
b. Strengthen efforts to combat the use of the mails for terrorism.	This work is ongoing. A training course on terrorism was held this year in Singapore for designated operators that are members of the Asia-Pacific Postal Union. Additional work is in the planning stages.
c. Further develop Postal Security Group programs such as airport security reviews and regional training for postal security specialists.	This work is ongoing. The Postal Security Group has sponsored the PUASP Security Certification Model for development and implementation worldwide as a viable and practical way to increase security. This is a first step for designated operators to prepare for and ultimately accomplish the more stringent Postal Security Group Security Standards requirements. The PUASP Security Certification Model was finalized in late 2009 and is now being implemented. A training course sponsored by the UPU and PUASP was recently held in Montevideo to provide all necessary details and seek solicitations for inclusion into the program by PUASP designated operators. Additionally, documents for airport reviews were revised to focus more on the international postal network and less on unrelated airport operations issues. An airport review was conducted recently in Guangzhou, China.
d. Work to improve the collection, completeness and reliability of global electronic data regarding mail losses and irregularities eMaria data.	No significant activity has been accomplished under this goal, which should be modified. The eMaria program is a viable concept, but the application itself technically obsolete and difficult to use. A new application should be created, under Postal Security Group auspices, to replace eMaria. The new application would apply new technology, be easier to use, and would better address security concerns and statistical analysis of losses.

Subject/Goal	Attainment or current status
<b>9. Structure and Work of the UPU's Cooperatives</b>	
<i>EMS Cooperative</i>	
a. Ensure that tracking capability shall be a requirement for EMS Cooperative membership by January 2009	The 2009-2010 EMS Cooperative Business Plan 2 includes a requirement of delivery tracking at a performance level of 98%.
b. Improve overall on-time delivery of all Cooperative members from 85.8% to 90% by 2012	In 2009, global on-time EMS delivery on time was 91.06%.
c. Increase the number of administrations that apply the EMS Pay-for-performance Plan from 25 to 125 by 2012.	As of September 2010, the USPS has entered into 64 EMS Pay-for-performance agreements.
d. Increase the number of administrations that transmit PREDES and REDES messages for EMS dispatches from 89 to 140 by 2012.	The U.S. currently exchanges PREDES/REDES messages for EMS dispatches with 130 partners.
<i>Telematics Cooperative</i>	
e. Support efforts to design a single combined network of systems that would unite the current postal networks used for UPU operational and accounting processes	This goal was originally included in a proposal submitted by the U.S. delegation to the 2004 Bucharest Congress which was adopted as Bucharest Congress Resolution C 33. The central purpose of the resolution was to guide the UPU to replace paper-based operational and accounting procedures in the UPU Letter Post and Parcel Post Regulations with those based on the transmission of electronic data. The POC Operations and Accounting Review Group, which is chaired by the United States (Peter Chandler of the USPS) was formed before the 2008 Geneva Congress to work towards this goal. The text of the goal at left, which is more of a guideline for the U.S. delegation rather than a measurable objective, could be retained with the omission of the words "single combined", since there appears to be no technical difficulties in the connection between the various operational and accounting systems used by postal operators. Most postal operators use the IPS or IPS Light applications developed, deployed and managed by the UPU Postal Technology Centre.
f. Set specific goals for the number of administrations that use IPS and IPS Light and monitor progress.	As of April 2010, 79 postal operators were using IPS and 65 were using IPS Light.
g. Monitor the quality of POST*Net, by third-party audits if necessary.	It is recommended that this goal be deleted from the Strategic Plan.



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<i>UPU*Clearing</i>	
h. Set long-term goals for UPU*Clearing that would include pay-for-performance calculations through the clearinghouse for member administrations.	It is recommended that this goal be deleted from the Strategic Plan, as it would not be realistic to attain this goal before 2012.
i. Develop plan to attract private-sector suppliers (e.g. airlines and delivery agents) to join UPU*Clearing.	It is recommended that this goal be deleted from the Strategic Plan. See comment for 9h.
j. Develop proposals to ensure that fees, dues or charges paid to the IB can be collected through UPU*Clearing.	See comment for 9h.
<b>10. Standards Board</b>	
a. Seek to develop standards that would contribute to effective measurement of the quality of service of international mail	In 2009, the Standards Board approved seven standards which included a file exchange format for name and address data; XML based product description language; RFID (radio frequency identification) protocols; revised, easier to understand documents on 13-character bar codes, a new PREDES message (for preadvise of mail dispatches); and a new EMSEVT message (for individual EMS items). The Board withdrew seven standards and created two new work items, which concern an OCR (optical character reader) dictionary format and an enhanced PRECON message (for preadvise of consignments containing one or more dispatches).
b. Contribute to the comprehensive review of UPU operational and accounting procedures proposed in Bucharest Congress Resolution C 33	It is recommended that this goal be deleted from the Strategic Plan. This goal has been achieved with the creation of the Operations and Accounting Review, which coordinates its work with the Standards Board.

Subject/Goal	Attainment or current status
<b>11. Parcels</b>	
a. Support efforts to require application of appropriate barcodes on all international parcels and transmission of tracking event data on parcels.	Done. Application of bar codes on parcels is one of the requirements for the bonus system for parcels adopted by the 2008 Geneva UPU Congress. It is recommended that this goal be deleted from the Strategic Plan.
b. Adapt methodology for measurement of parcel service performance.	Ongoing. Development of new parcel service performance reports (and format) to validate the performance requirements needed for the assessment of parcel inward land rates. Work continues on adapting these reports to reflect the requirements and new categories approved by the April 2010 POC.
c. Develop and publish report cards on parcel service performance.	The UPU International Bureau has begun to produce monthly reports on parcel service performance (and modified for updated requirements).
d. Support efforts to develop systems for calculating the costs of handling and delivery of parcels for worldwide applicability.	Ongoing work in POC Committee 2 (Parcels).

Subject/Goal	Attainment or current status
<b>12. Postal Development and Technical Cooperation</b>	
a. Develop criteria for measuring the effectiveness of postal reform, improving customer satisfaction and improving the quality of and access to postal services in individual countries. In doing so, periodically monitor, analyze, and compare the quality of postal services of individual countries in relation to their level of postal reform.	Sixty-five developing countries have begun implementation of an Integrated Postal Reform and Development Plan (IPDP), a tool to bring together postal sector stakeholders (government, regulator, postal operator) on common ground to update or modernize their postal service. The 2010 CA will consider recommendations from an IPDP Ad Hoc Support Group, chaired by the United States, to strengthen resources at the International Bureau to assure all countries fully implement this program which incorporates elements of universal postal service, postal policy formulation, legal reform, and modernization of postal services.
b. Develop a plan to integrate (or implement) best practices, derived from technical cooperation, where applicable.	The QSF Board has published a catalog of standard, "template" project proposals that represent model projects. In recent years, the QSF Board has begun to confer awards to those administrations which submit superior QSF projects and manage them in an exemplary manner.
<b>13. Post*Code and Address Management</b>	
Promote Post*Code products and services that increase the quality and exchanges of international mail.	Ongoing.
<b>14. Postal Financial Services</b>	
Ensure compliance with internationally accepted anti-money laundering standards and related regulatory requirements in all UPU documents regarding postal financial services.	These elements are generally reflected in the Regulations of the Postal Payment Services Agreement adopted by the 2009 POC. The U.S. delegation continues to monitor the activities of POC Committee 3 on Postal Financial Services.